

Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 INR-05 CIAE-00

PM-03 SP-02 L-01 PRS-01 EB-03 TRSE-00 OMB-01 SAJ-01

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R 051542Z FEB 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6256

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

USMISSION NATO BRUSSELS

CINC USAFE RAMSTEIN

CINC USAREUR HEIDELBERG

CINC EUR VAIHINGEN

USNMR SHAPE

CINC USNAVEUR LONDON

SECDEF WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 BONN 01994

LIMDIS

E. O. 11652: GDS

TAGS: NATO, GW, MARR, MASS, MPOL

SUBJECT: FRG FOREIGN OFFICE VIEWS ON RATIONALIZATION/

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BEGIN SUMMARY: THE FOREIGN OFFICE TOOK ADVANTAGE OF THE OCCASION OF THE VISIT OF ARCHELAUS R. TURRENTINE (PM/ISP) TO ARRANGE A DETAILED DISCUSSION OF RATIONALIZATION/STANDARDIZATION ISSUES, INCLUDING AWACS. THE FRG REPS INDICATED THE IMPORTANCE THEY CONTINUE TO ATTACH TO OBTAINING FRENCH PARTICIPATION IN EUROPEAN COOPERATIVE EFFORTS. IN REGARD TO AWACS, FRG REPS EMPHASIZED HOW DIFFICULT IT WAS FOR THE FRG TO FUND A PROJECT WHICH: (A) ONLY HAD SUPPORT FROM ONE OF THE THREE GERMAN MILITARY SERVICES; (B) WAS NEITHER IN THE CURRENT DEFENSE BUDGET NOR IN THE FIVE-YEAR DEFENSE PLAN; AND, (C) WAS TOO EXPENSIVE TO FUND EXCEPT EITHER BY A VERY UNLIKELY INCREASE IN THE OVERALL FRG DEFENSE BUDGET OR BY DROPPING SOME OTHER EQUALLY COSTLY PROJECT OR PROJECTS. WHILE GERMAN ATTITUDE TOWARDS RATIONALIZATION AND STANDARDIZATION EFFORTS INCLUDING AWACS REMAINS POSITIVE, FRG ENTHUSIASM FOR THESE CAUSES HAS CLEARLY BEEN DAMPENED BY THE BELIEF THAT THE US HAS DECIDED NOT TO ALLOW THE LEOPARD II TANK TO COMPETE HONESTLY AND FAIRLY WITH THE US XMI. END SUMMARY.

1. THE ONE-AND-ONE-HALF-HOUR-LONG WIDE-RANGING DISCUSSION TOOK PLACE IN THE OFFICE OF DR. FRANZ PFEFFER, THE FOREIGN OFFICE'S COUNTRY DIRECTOR FOR NATO AFFAIRS. PRESENT AT THE FEBRUARY 3 MEETING WERE DR. PFEFFER, MR. TURRENTINE, AN EMBOFF AND THREE OF DR. PFEFFER'S PRINCIPAL ASSISTANTS: DR. HOLIK, DEPUTY COUNTRY DIRECTOR, MR. FEIN, RESPONSIBLE FOR NATO STANDARDIZATION EFFORTS, AND MR. KEMPF, RESPONSIBLE FOR AWACS.

2. THE FRG REPS HAD NOT AS YET RECEIVED A REPORT OF THE EUROGROUP MEETING WITH THE FRENCH IN ROME, A REPORT WHICH THEY WERE CLEARLY AWAITING WITH GREAT INTEREST. THEY WERE LOATH TO DISCUSS WHAT THE FRG MIGHT PROPOSE SHOULD PROGRESS IN ROME HAVE BEEN SLIGHT. CLEARLY THE FRG STILL ATTACHES MAJOR IMPORTANCE TO OBTAINING FRENCH PARTICIPATION IN EUROPEAN COOPERATIVE EFFORTS IN WEAPONS PROCUREMENT. ON THE OTHER HAND, THE FRG REPS DID INDICATE THAT THE PATIENCE OF THE EUROGROUP HAS LIMITS. IF IT BECOMES CLEAR THAT THE FRENCH CANNOT ACT

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POSITIVELY AT THIS TIME, THEY INDICATED THAT THE EUROGROUP NATIONS MIGHT HAVE TO MOVE AHEAD ON THEIR OWN. IN THIS CASE, HOWEVER, THE DOOR WOULD BE LEFT OPEN FOR FRENCH PARTICIPATION AT SOME LATER DATE.

3. US REPS REVIEWED THE RATIONALE BEHIND RECENT US EFFORTS TO IMPROVE STANDARDIZATION AND COOPERATION IN ARMAMENTS PROCUREMENT. THEY POINTED OUT THE IMPORTANCE

OF ESTABLISHING A BROAD POLICY FOUNDATION IN NATO WHICH WOULD MAKE IT POSSIBLE TO TAKE STANDARDIZATION ACTIONS ON SOMETHING OTHER THAN A CASE BY CASE BASIS. WITHOUT SUCH AN ARRANGEMENT, THEY NOTED, IT WAS EXTREMELY DIFFICULT TO MAKE TRADEOFFS BETWEEN VARIOUS PROGRAMS. THIS WAS PARTICULARLY TRUE WHEN SUCH PROGRAMS CROSS LINES BETWEEN THE THREE ARMED SERVICES.

4. US REPS NOTED THAT OTHER NATO ALLIES HAD MADE INFORMAL PRELIMINARY APPROACHES TO THE USG CONCERNING THE FEASIBILITY OF CONCLUDING BILATERAL MEMORANDA OF UNDERSTANDING (MOU'S) ALONG THE LINES OF THE RECENT US-UK MOU. THEY EMPHASIZED THAT THE US HAS NOT AND WILL NOT TAKE THE INITIATIVE TO STIMULATE BILATERAL ARRANGE-

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C O N F I D E N T I A L SECTION 02 OF 03 BONN 01994

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MENTS THAT MIGHT IN ANY WAY COMPROMISE THE ONGOING
EUROGROUP EFFORTS WITH THE FRENCH. GIVEN THE US-UK
PRECEDENT, HOWEVER, IT WOULD BE VERY DIFFICULT FOR THE
US TO REFUSE TO MAKE A BILATERAL MOU WITH A NATO ALLY
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WHICH MADE A FORMAL REQUEST FOR ONE.

5. THE FRG REPS INDICATED CONSIDERABLE INTEREST IN THIS
EXPOSITION. THEY NOTED, HOWEVER, THAT THE FRG SEES
PROBLEMS IN PROCEEDING WITH MULTIPLE BILATERALS.
THIS WAS TRUE EVEN WHEN THE MOU -- AS IN THE CASE OF
THE US-UK MOU -- INCLUDED PROVISIONS FOR IT TO BE FOLDED
INTO A BROADER US-EUROPEAN AGREEMENT SHOULD SUCH BE
REACHED AT SOME TIME IN THE FUTURE. THEIR INITIAL
REACTION WAS THAT ADDITIONAL BILATERAL MOU'S WOULD NOT
REPEAT NOT SERVE TO STIMULATE PROGRESS IN THE EUROPEAN-
FRENCH NEGOTIATIONS. CERTAINLY THEY GAVE NO
INDICATION THAT THE FRG ITSELF MIGHT BE INTERESTED IN
CONCLUDING A MOU WITH THE US.

6. THE FRG REPS LEFT THE CLEAR IMPRESSION THAT THEY
FELT THAT THE CURRENT DISCUSSIONS WITH THE FRENCH WOULD
REQUIRE A FAIR AMOUNT OF TIME BEFORE IT WOULD BE CLEAR
WHETHER THIS WOULD SERVE AS A MEANS OF BRINGING FRANCE
INTO A WORTHWHILE COOPERATION WITH ITS EUROPEAN ALLIES.
THE FRG APPEARS TO BE WILLING TO WAIT UNTIL THIS
BECOMES CLEAR. IN THE MEANTIME, THE EUROGROUP CONTINUES
TO EXIST AND FUNCTION. THE FRG ALSO HOPES THAT
MEANINGFUL PROGRESS ON QUESTIONS OF INTEROPERABILITY MAY
BE ACHIEVED UNDER THE NAC.

7. THE EXCHANGE OF VIEWS ON RATIONALIZATION/STANDARD-
IZATION LED NATURALLY TO A DISCUSSION OF THE TANK
COMPETITION. EXPRESSING CONSIDERABLE DISCOURAGEMENT,
FRG REPS INDICATED THAT THEY FELT THERE WAS NO HOPE THAT
THE LEOPARD II WOULD BE PERMITTED TO ENGAGE IN A REAL
COMPETITION AGAINST THE US TANK. FRG INFORMATION WAS THAT

THE US HAD ALREADY DECIDED THAT IT WOULD PURCHASE THE AMERICAN WINNER OF THE CURRENT COMPETITION. US REPS NOTED THAT THE SITUATION WAS NOT AS FIRM AS THE FRG REPS HAD BEEN LED TO BELIEVE.

8. TURNING TO AWACS, FRG REPS INDICATED THAT THERE WAS A CONSENSUS IN THE FRG THAT AWACS WAS AN IMPORTANT SYSTEM HAVING A HIGH PRIORITY. YET, THERE IS NO PROVISION FOR AWACS OR AN AWACS-TYPE SYSTEM EITHER IN CONFIDENTIAL

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THE CURRENT GERMAN DEFENSE BUDGET OR IN ITS FIVE-YEAR DEFENSE PLAN. ONLY ONE OF THE THREE GERMAN ARMED SERVICES -- THE LUFTWAFFE -- HAD INDICATED A REQUIREMENT FOR THE SYSTEM. GIVEN THE HIGH COST OF THE SYSTEM, IT WAS HIGHLY UNLIKELY THAT A REQUIREMENT BY ONE SERVICE COULD RESULT IN AN FRG DECISION TO PARTICIPATE IN THE PROGRAM. THE FACT THAT THIS IS AN ELECTION YEAR IN THE FRG FURTHER COMPLICATES MATTERS.

9. THE FRG REPS WENT ON TO NOTE THAT THEORETICALLY THERE WERE TWO WAYS IN WHICH GERMAN PARTICIPATION IN AWACS MIGHT BE FUNDED: EITHER THE OVERALL DEFENSE BUDGET MIGHT BE RAISED, OR AWACS MIGHT BE SUBSTITUTED FOR AN ITEM OR ITEMS IN THE CURRENT FIVE-YEAR DEFENSE PLAN. BOTH CHOICES PRESENTED GREAT DIFFICULTIES.

10. SHORT OF A MAJOR UNEXPECTED CHANGE IN THE POLITICAL CLIMATE, THE BUNDESTAG COULD HARDLY BE EXPECTED TO AGREE TO AN INCREASE IN THE DEFENSE BUDGET GREATER THAN THE ONE ALREADY PLANNED. INsofar AS SUBSTITUTING AWACS FOR CURRENTLY-PLANNED EXPENDITURES IS CONCERNED, THE FRG REPS EMPHASIZED THAT AWACS IS AN EXTREMELY EXPENSIVE SYSTEM WHICH DOES NOT REPLACE A CURRENT ONE: I.E., IT PROVIDES A NEW DIMENSION TO OUR DEFENSE EFFORTS RATHER THAN MERELY UPGRADING AN EXISTING SYSTEM. IF, FOR EXAMPLE, THE FRG DECIDED AGAINST PURCHASING THE MRCA, THE LUFTWAFFE WOULD STILL REQUIRE AN AIRCRAFT TO FULFILL THE ROLE ENVISAGED FOR THE MRCA. HENCE MRCA MONEY DIVERTED FROM MRCA WOULD STILL NOT BE AVAILABLE FOR THE PURCHASE OF AWACS.

11. US REPS POINTED OUT THAT THIS WAS THE KIND OF PROBLEM WHOSE SOLUTION THE US HAD HOPED TO MAKE EASIER BY ESTABLISHING A BROAD POLICY FOUNDATION WITHIN NATO FOR TAKING STANDARDIZATION ACTIONS. UNDER THE UMBRELLA OF SUCH A BROAD POLICY FOUNDATION, IT MIGHT BE POSSIBLE FOR THE US TO OFFER TO PURCHASE A GERMAN WEAPONS SYSTEM IN RETURN FOR FRG PARTICIPATION IN THE AWACS PROGRAM. THIS MIGHT MAKE IT POSSIBLE FOR THE FRG GOVERNMENT TO

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